

ORDINANCE NO. 2209

AN ORDINANCE APPROVING THE DELIVERY OF CERTIFICATES OF PARTICIPATION BY THE CITY OF GARDNER, KANSAS, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF DEVELOPING A COMMUNITY PARK; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION WITH THE DELIVERY OF THE CERTIFICATES.

WHEREAS, pursuant to an election held on June 7, 2005, a majority of the electors of the City of Gardner, Kansas (the "City"), approved the levy of a .5% local option sales tax for a period not to exceed 10 years (the "Sales Tax") to finance the cost of developing a community park and expanding and improving the municipal swimming pool;

WHEREAS, the Governing Body of the City finds and determines that it is advantageous and in the best interests of the City that the City issue Certificates of Participation (the "Certificates" as herein described) to finance the development of the community park (the "Project") on land previously acquired by the City (the "Property") and declares its intent to annually appropriate Sales Tax to pay the principal of and interest on such Certificates;

WHEREAS, in connection with the delivery of the Certificates, it is necessary for the City to authorize the execution of: (a) a Trust Indenture for the Certificates, between the City and the Trustee (the "Indenture"), pursuant to which the Project will be constructed and the Certificates will be issued and delivered, (b) a Ground Lease (the "Ground Lease"), between the City and the Trustee, pursuant to which the City will lease the Property to the Trustee for rent including the deposit of the funds specified therein to pay the costs of the Project; (c) a Lease/Purchase Agreement (the "Lease"), pursuant to which the Trustee will lease the Property to the City on an annually renewable basis and the City will make rental payments to the Trustee that will be sufficient, during any term of the Lease, to pay the principal of, premium, if any, and interest distributable with respect to the Certificates as the same become due and all other amounts due under the Lease; and (d) a Mortgage and Security Interest (the "Mortgage") on the Property in favor of the Trustee to secure the payment of the Certificates (the Indenture, the Ground Lease, the Lease and the Mortgage are referred to collectively herein as the "Certificate Documents"); and

WHEREAS, the City's obligation to pay rent under the Lease shall be from year to year only, shall constitute currently budgeted expenditures of the City, as set forth in the final budget for each year approved by Governing Body of the City and shall not constitute a general obligation or other indebtedness of the City in any ensuing fiscal year beyond the current fiscal year; and

WHEREAS, the Lease will not directly or indirectly obligate the City to make any payments beyond those appropriated for the City's then current fiscal year; and

WHEREAS, the Governing Body of the City further finds and determines that it is necessary and desirable that the City enter into the Certificate Documents and take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF GARDNER, AS FOLLOWS:

Section 1. Approval of Delivery of the Certificates. The City hereby approves the delivery of the Certificates for the purposes set forth in the preamble to this Ordinance. The Certificates shall be issued and secured pursuant to the herein approved Indenture. The Certificates shall be dated, shall become due, shall bear interest and shall have the further price and terms as shown on Exhibit A to this Ordinance. The Certificates shall be in such denominations, shall be in such forms, shall be subject to prepayment prior to the stated payment dates thereof, shall have such other terms and provisions, and shall be executed and delivered in such manner subject to such provisions, covenants and agreements, as are set forth in the Indenture.

Section 2. Limited Obligations. The Certificates and the interest thereon shall be limited obligations, payable solely out of the applicable rents, revenues and receipts received by the Trustee from the City pursuant to the Lease. Neither the Lease nor the Certificates shall constitute a debt or liability of the City, Johnson County, Kansas, the state of Kansas or of any political subdivision thereof, and neither the Lease nor the Certificates shall constitute an indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

Section 3. Authorization of Documents. The City is hereby authorized to enter into the Certificate Documents, in substantially the forms presented and reviewed at this meeting (copies of which documents shall be filed in the records of the City), with such changes therein as shall be approved by the officers of the City executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof.

Section 4. Execution of Documents. The officers of the City, including the Mayor and City Clerk, shall be, and they hereby are, authorized and directed to execute and deliver, on behalf of the City, the Certificate Documents and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 5. Continuing Disclosure. The City covenants and agrees to provide continuing disclosure as set forth in the Continuing Disclosure Letter attached to the Preliminary Official Statement.

Section 6. Further Authority. The officers, employees and representatives of the City, including, but not limited to, the Mayor, City Clerk, the Finance Director and Kutak Rock LLC, the City's Bond Counsel, are authorized and directed to execute all documents and take such action as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance, and to carry out, comply with and perform the duties of the City with respect to the Certificate Documents.

Section 7. Effective Date. This Ordinance shall take effect and be in full force immediately after its passage and publication once in the official City newspaper.

Passed by the Governing Body of the City of Gardner, Kansas, and approved by the Mayor this September 5, 2006.

(Seal)

Mayor

ATTEST:

City Clerk

EXHIBIT A
\$7,150,000 Certificates of Participation, Series 2006D

Maturity Date	Principal Amount	Interest Rate
10/1/2007	\$ 615,000	3.75%
10/1/2008	395,000	3.75
10/1/2009	475,000	3.75
10/1/2010	620,000	3.75
10/1/2011	810,000	3.75
10/1/2012	755,000	3.75
10/1/2013	810,000	3.75
10/1/2014	1,000,000	4.00
10/1/2015	1,195,000	4.00
10/1/2016	475,000	4.00

Purchase Price for the Certificates: Amount paid by UBS Securities LLC, Dallas, Texas, the original purchaser of the Certificates, which is the par amount of the Certificates \$7,150,000 less an underwriter's discount of \$643.50, plus accrued interest from September 15, 2006 (the "Dated Date"), to the date of closing.

Redemption: The Certificates maturing on October 1, 2014, and thereafter shall be subject to optional prepayment on October 1, 2013, or any date thereafter, as a whole or in part (selection of Certificates to be designed by the Trustee in such equitable manner as it may determine), at a Prepayment Price equal to 100% of the Principal Component of Base Rentals represented thereby plus the Interest Component of Base Rentals accrued thereon to the Prepayment Date, without premium.